



**BOARD OF SELECTMEN**  
**TOWN OF TEWKSBURY**  
TOWN HALL  
1009 MAIN ST  
TEWKSBURY, MASSACHUSETTS 01876

TODD R. JOHNSON, CHAIRMAN  
BRUCE PANILAITIS, PH.D., VICE CHAIRMAN  
MARK S. KRATMAN, CLERK  
DAVID H. GAY  
JAMES D. WENTWORTH

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**MEETING MINUTES**  
**MARCH 29, 2016**

The Chair opened the meeting for regular session at 7:00 p.m. Present for the Board of Selectmen were Todd Johnson, Chair; Bruce Panilaitis, Vice Chair; Mark Kratman, Clerk; David Gay and James Wentworth, Board Members and Richard Montuori, Town Manager.

**Oakdale Liquors**

The public notice was read into the record for the application of K&B Liquors, Inc. d/b/a Oakdale Liquors by Mary Silva, President, for permission to change the location of an all alcoholic beverage package store license from premises located at 1900 Main Street described as approximately 4,278 square foot unit to premises located at 1900 Main Street described as a 24,620 square foot unit. The applicant also requested a change of their Doing Business As Certificate from Oakdale Liquors to Oakdale One Stop Liquors. Attorney Paul Alphen, Alphen & Santos of Westford, was present on behalf of the applicant. The store will be located at the same address but a different unit in the shopping plaza (the former Home Goods location). The applicant would like to use the name "one-stop" as they own businesses with other family members that use it. Mr. Joe Silva, co-owner of the business was present and confirmed to the Selectmen that the increase in size is to increase selection and services. The vision is to create a place where patrons can have a destination for wine tastings in the store and to educate patrons on wine selections. Mr. Silva's intention would also be to add a small section of food to pair with wines; and possibly open another section for Keno players in the future. Hours of operation will stay the same. The applicant hopes to open in early summer of 2016 depending on how quickly approvals will be turned around. All departments are in approval of this request; the Building Department will require an occupancy permit inspection. All abutters have been notified and a list of them was provided. Attorney Kevin Feeley has reviewed the application package, and it is in order.

**MOTION:** Mr. Gay made the motion to approve the application of K&B Liquors, Inc. d/b/a Oakdale Liquors to move locations as described and presented to the Selectmen; seconded by Mr. Kratman and the motion carried 5-0 for a unanimous vote.

**MOTION:** Mr. Gay made the motion to approve the application of K&B Liquors, Inc. d/b/a Oakdale Liquors to change their Doing Business As Certificate from Oakdale Liquors to Oakdale One Stop Liquors; seconded by Mr. Panilaitis and the motion carried 5-0 for a unanimous vote.

**Mexica Burrito Grill Inc. Liquor License Hearing**

The public notice was read into the record for Mexica Burrito Grill, Inc. d/b/a Mexica Burrito Grill by Mr. Hector Angel for permission to sell all alcoholic beverages as a common victualler on premises located at 579 Main Street. Mr. Hector Angel was present for this hearing. Mr. Angel explained this is a new project

to provide fast casual dining with fresh ingredients; but the restaurant is missing the ability to serve a margarita.

A CORI check and notification to all abutters (only 3 for this location) has been completed. Mr. Angel resides in Connecticut. Board had a concern of his travel and ability to manage from a distance. Mr. Angel explained this is a family business. He also runs a business in Connecticut and in Methuen, Massachusetts. If there is any issue with travel he has other family to depend on to cover restaurant issues and the ability to stay family in order to not travel on late nights at the restaurant. His intention is to stay and grow the Tewksbury location. The Selectmen requested to post signs stating no alcohol outside of premises. Mr. Angel agreed.

**MOTION:** Mr. Gay made the motion to approve the application for Mexica Burrito Grill, Inc. d/b/a Mexica Burrito Grill to obtain an all alcohol liquor license as described in the application presented to the Selectmen; seconded by Mr. Wentworth and the motion carried 5-0 for a unanimous vote.

### **Residents**

The Chair called for residents to come before the Selectmen. There were no residents in the audience who came forward to speak on any topics.

### **Town Manager**

#### **Annual Town Meeting Warrant—to be signed**

**MOTION:** Mr. Kratman made the motion to execute the Annual Town Meeting Warrant for the Annual Town Meeting to be held on Monday, May 2, 2016 at 8:00 p.m. at the Tewksbury Memorial High School, 320 Pleasant Street; seconded by Mr. Panilaitis and the motion carried 5-0 for a unanimous vote.

#### **Special Town Meeting Warrant—to be signed**

**MOTION:** Mr. Gay made the motion to execute the Special Town Meeting Warrant for the Special Town Meeting to be held on Wednesday, May 4, 2016 at 7:00 p.m. at the Tewksbury Memorial High School, 320 Pleasant Street; seconded by Mr. Panilaitis and the motion carried 5-0 for a unanimous vote.

#### **Town Counsel Invoice—February 16 through February 29, 2016 & March 1 through March 15, 2016**

**MOTION:** Mr. Wentworth made the motion to approve the Town Counsel Invoice from Feeley & Brown, P.C. in the amount of \$1,402.50 for services rendered through February 16 through February 29, 2016 and in the amount of \$2,620.00 for services rendered through March 1 through March 15, 2016 on the recommendation of the Town Manager; seconded by Mr. Gay and the motion carried 5-0 for a unanimous vote.

#### **Senior Town Counsel Invoice—February 2016 Invoice**

**MOTION:** Mr. Panilaitis made the motion to approve the Senior Town Counsel Invoice for February, 2016 in the amount of \$3,467.58 on the recommendation of the Town Manager; seconded by Mr. Kratman and the motion carried 5-0 for a unanimous vote.

**Water and Sewer Enterprise Budgets, Water and Sewer Rates, Capital Improvement Plan**

**FY17 Water and Sewer Enterprise Budgets  
CIP FY2017-FY2021**

Board of Selectmen

March 8, 2016



**Water and Sewer Enterprise Budgets and CIP Meeting**

- Enterprise Funds
  - Water Enterprise Budgets
  - Water Enterprise Capital
  - Water Rates Recommendation
  - Sewer Enterprise Budget
  - Sewer Enterprise Capital
  - Sewer Rate Recommendation
- Capital Improvement Plan FY2017-FY2021

The Town Manager used 90% user fee collection rate instead of 92% and also changed the amount of usage. Changes are marked in red throughout this document. The Lowell Sewer increase is \$312,835 due to waste water increasing over to Lowell which makes up 9% of total flow. The total flow is currently at 11.01%.

## Water Enterprise Fund



## Water Enterprise Fund Budget



### Water Distribution Budget

	Fiscal Year 2016	Fiscal Year 2017	Inc.(Dec)
Salaries:	538,320	582,511	44,191
Operating:	297,481	316,052	18,571
Capital Outlay:	-	-	-
<b>Total</b>	<b>835,801</b>	<b>898,563</b>	<b>62,762</b>

#### Major Budget Changes:

**Salaries:** Include 2.5% salary increases, step increases and longevity changes. Salary also increased 24,027 with the addition of an Assistant DPW Superintendent for Utility which is being cost shared between Water and Sewer. Also an increase of 1,532 to upgrade an HMEO position to SHMEO and 9,782 for sick leave and vacation buy back.

**Operating:** Energy Utilities increased 2,500 based upon actual cost in previous years. Repairs and Maintenance increased 2,000 based upon the number of water breaks averaged each year. Other Equipment increased for the Maintenance of Vacuum/Rodding Truck.

Meters increased 8,500 to purchase 25 additional new meters for new residential and commercial structures and secondary meters.

**Capital Outlay:** No change

## Water Enterprise Fund Budget



### Water Filtration Budget

	Fiscal Year 2016	Fiscal Year 2017	Inc.(Dec)
Salaries:	791,882	856,330	64,448
Operating:	1,178,783	1,214,780	35,997
Capital Outlay:	-	-	-
<b>TOTAL</b>	<b>1,970,665</b>	<b>2,071,110</b>	<b>100,445</b>

#### Major Budget Changes:

**Salaries:** Include 2.5% salary increases, step increases and longevity changes. Salary also increased 24,027 with the addition of an Assistant DPW Superintendent for Utility which is being cost shared between Water and Sewer. Also an increase of in overtime of 3,600 to reflect actual cost.

**Operating:** Utilities increased 15,000 to operate the new aeration facility, light and heat, laboratory addition and new equalizing tank. Lease and Contracts increased 9,108 mainly in the area of backflow and surveys inspections. All Other Supplies and Expenses increased 12,000 for THM online analyzer to monitor water quality. Residual Disposal increased 3,375 based upon the projected disposal of sludge. The current contract for disposal is ending and we are projecting a significant increase in cost.

**Capital Outlay:** No change

## Water Enterprise Fund Budget



### Combined Water Enterprise Budgets

	Fiscal Year 2016	Fiscal Year 2017	Inc.(Dec)
Salaries:	1,330,202	1,438,675	108,639
Operating:	1,476,264	1,530,832	54,568
Capital Outlay:	-	-	-
<b>Total</b>	<b>2,806,466</b>	<b>2,969,673</b>	<b>163,207</b>

#### Other Budgeted Expenses:

Debt P&I	2,106,817	3,163,979	1,057,162
Capital Projects/Exp.	235,300	-	(235,300)
Indirect Expenses	962,507	1,074,149	111,642
<b>Total</b>	<b>3,304,624</b>	<b>4,264,897</b>	<b>960,273</b>
<b>Grand Total Water</b>	<b>6,111,090</b>	<b>7,207,635</b>	<b>1,096,545</b>

*Use of Retained Earnings:* (815,000) (263,000) (552,000)

*Current Balance Retained Earnings:* 3,419,615

## Water Enterprise Fund Budget



- Future Capital Improvements  
Fiscal Year 2017 – Fiscal Year 2021: 8,340,500

- **6,560,000** - Water Distribution Design and Improvement
- **860,000** - Water Tanks Maintenance/Upgrades
- **625,000** - Hydrants Replacement
- **295,500** - Vehicle Replacement

*Over the next Five Years the Plan is to spend 2,400,500 on Capital Projects if retained earning are available funds and funds will be borrowed for major projects.*

*Current Balance Retained Earnings: 3,419,615*

## Water Enterprise Fund Budget



- Capital Improvements  
Fiscal Year 2017: 2,595,000
  - **2,410,000** - Water Distribution Improvement (2 million Borrowing and 410,000 Retained Earnings)
  - **125,000** - Hydrants Replacement (Retained Earnings)
  - **60,000** - Water Tanks Maintenance/Upgrades (Retained Earnings)
  - **18,000** - Vehicle Replacement (Retained Earnings)

*(350,000 of the 2,410,000 - Water Distribution Improvement will be transferred from Retained Earnings at May 2016 Special Meeting for repairs to a water near Strongwater Brook )*



## Water Enterprise Fund Budget

### Debt Service as percent of Water Budget:

• FY2015	2,005,239	33%
• FY2016	2,106,817	34%
• FY2017 (Proj.)	3,163,979	44%
• FY2018 (Proj.)	3,146,177	43%
• FY2019 (Proj.)	2,859,917	40%
• FY2020 (Proj.)	2,789,678	39%
• FY2021 (Proj.)	2,629,828	36%
• FY2022 (Proj.)	2,729,614	37%
• FY2023 (Proj.)	2,547,906	34%
• FY2024 (Proj.)	2,484,756	33%



## Water Enterprise Fund Budget

### Projected Revenues

	FY2016	FY2017
Projected Revenues		
Total Revenue User Fees	6,678,429	7,072,791
90% Collection User Fees	6,010,586	6,365,512
Water Liens	650,000	650,000
Other Fees	<u>15,000</u>	<u>200,000</u>
Total Projected Revenue	6,675,586	7,215,512

## Water Enterprise Fund Budget



### Water Budget/Revenue:

	Budget	Revenue
FY09	5,384,337	5,343,224
FY10	5,711,691	4,686,966
FY11	6,058,981	7,366,234
FY12	5,805,016	7,079,266
FY13	5,961,130	7,033,685
FY14	5,913,590	7,429,011
FY15	6,386,848	7,485,872
FY16 (Projected)	6,111,089	6,675,586
FY17 (Projected)	7,207,635	7,215,512

## Water Enterprise Fund Budget



### Proposed Water Rates:

Current Tier	Current Rate (\$)
0-34 gals	7.29 per 1000
35-70	10.31 per 1000
71-140	13.44 per 1000
140+	15.63 per 100
<b>Proposed Tier</b>	<b>Proposed Rate (\$)</b>
0-34 gals	7.73 per 1000
35-70	10.93 per 1000
71-140	14.25 per 1000
140+	16.57 per 1000





## Water Enterprise Fund Budget

10,000	72.90	76.50	3.60	5%
15,000	109.35	114.75	5.40	5%
20,000	145.80	153.00	7.20	5%
25,000	182.25	191.25	9.00	5%
35,000	258.17	270.93	12.76	5%
45,000	361.27	379.23	17.96	5%
50,000	412.82	433.38	20.56	5%
55,000	464.37	487.53	23.16	5%
60,000	515.92	541.68	25.76	5%
70,000	619.02	649.98	30.96	5%
75,000	686.22	720.53	34.31	5%
80,000	753.42	791.08	37.66	5%
90,000	887.82	932.18	44.36	5%
100,000	1,022.22	1,073.28	51.06	5%
140,000	1,559.82	1,637.68	77.86	5%
150,000	1,716.12	1,801.78	85.66	5%
200,000	2,497.62	2,622.28	124.66	5%
300,000	4,060.62	4,263.28	202.66	5%
400,000	5,623.62	5,904.28	280.66	5%
500,000	7,186.62	7,545.28	358.66	5%
700,000	10,312.62	10,827.28	514.66	5%
1,000,000	15,001.62	15,750.28	748.66	5%
1,500,000	22,816.62	23,955.28	1,138.66	5%
2,000,000	30,631.62	32,160.28	1,528.66	5%
3,000,000	46,261.62	48,570.28	2,308.66	5%
4,000,000	61,891.62	64,980.28	3,088.66	5%
5,000,000	77,521.62	81,390.28	3,868.66	5%
6,000,000	93,151.62	97,800.28	4,648.66	5%
7,100,000	110,344.62	115,851.28	5,506.66	5%
7,500,000	116,596.62	122,415.28	5,818.66	5%

*Approximately 55,000 gallons is the Town average use and approximately 90,000 gallons per year is the State average use.*



## Water Enterprise Fund Budget

### Rate Comparison

- Based on 90,000 Gallons per year
- State Average 532 (2014)
- State Range 112-1,556 (2014)
- State Median 503 (2014)
- MWRA Average 579 (2015)
- Tewksbury (current) 888 (2016)
- Tewksbury (proposed) 941 (2017)

## Comments Water Rates

- Impact of Water Treatment Plant
- Projection from Previous Fiscal Year
- Improving Rate Projections
- Capital Projects
- Retained Earnings
- Creating a Stabilization Fund

## Water Enterprise Fund Possible Option



# Water Enterprise Fund FY17



- Enterprise Fund Water Rate Option

Chapter 110, S.S. 111, 113, 114 and 116 of the Acts of 1993

(Adding G.L. Ch. 59 S. 5 Cl. 52 and S. 21C(n))

*This legislation authorizes a new debt exclusion under Proposition 2½, General Laws Chapter 59 §21C(n), which will let a city or town transfer the recovery of water and sewer debt service costs from user charges to the property tax levy. The municipality will be able to raise the additional taxes outside its levy limit under Proposition 2½ and it will have to reduce its water and sewer charges by the amount of the debt service being transferred to the tax levy. Adoption of the exclusion does not require voter approval of a referendum.*

## Water Enterprise Fund FY17

Water Debt Shift \$344,109



- Water Budget/Revenue:

	Budget	Revenue
FY17(Projected)	7,207,634	7,215,512
FY17(Proj. with shift)	6,863,525	6,913,525

**Current Water Rates Would Not Increase if the entire \$344,109 is shifted**

Current Tax Rate	Est. FY17 w/o Shift	Est. FY17 with Shift
Res. \$16.35 per 1000	\$16.89 per 1000	\$16.96 per 1000
CIP \$27.46 per 1000	\$28.36 per 1000	\$28.49 per 1000

*Estimated tax rate is very preliminary and based upon current CIP shift, an increase in the tax levy of 2.5 % plus 800,000 in new growth and it includes projected FY17 excluded debt.*

# Sewer Enterprise Fund FY17 Summary of Options



## Estimated Water Bill and Tax Bill Increase (FY17)

	Usage Current Bill (\$)			Home Value and Est. Tax Bill FY17(\$)			
	55k	90k	150k	250k	350k	400k	500k
	464	888	1,716	4,223	5,912	6,756	8,445
	<u>Add</u>			<u>Add</u>			
No Shift	27.98	53.48	103.38	0.00	0.00	0.00	0.00
Shift	0.00	0.00	0.00	17.50	24.50	28.00	35.00

*Estimated tax rate is very preliminary and based upon current CIP shift, an increase in the tax levy of 2.5 % plus 800,000 in new growth. The above assumes a shift of \$344,109 of debt service to the tax levy and an increase in the current Residential tax rate from 16.35 to 16.96 an without the shift rate is projected to be 16.89.*

## Sewer Enterprise Fund



## Sewer Enterprise Fund Budget



### Sewer Enterprise Budget

	<u>FY2016</u>	<u>FY2017</u>	<u>Inc(Dec)</u>
Salaries	301,735	333,726	31,991
Expenses	332,356	344,400	12,044
Capital Outlay	-	-	-
Lowell Sewer	1,541,202	1,818,203	277,001
Reserve Fund	60,000	60,000	-
Debt	3,201,958	3,035,658	(166,299)
Capital R&A	-	-	-
Indirect Expenses	505,739	560,223	54,484
	5,942,990	6,152,210	209,220

#### Major Budget Changes:

**Salaries:** Salaries: 2.5% salary increases, step increases and longevity changes. Salary also increased 24,027 with the addition of an Assistant DPW Superintendent for Utility which is being cost shared between Water and Sewer.

**Operating:** Utilities increased 2,500 based operating pumps for added sewer hookups and 3-yr average. Repairs and Maintenance increased 14,200 for the cost of maintaining new generators and the average cost of maintaining equipment and facilities. Leases and Contract decreased 5,106 mainly in the area of camera work for sewer backups. Grinder Pumps decreased 8,000 since we are projecting to install 5 instead of 10. Other Supplies and Equipment increased 5,000 for grease control in wet wells. Other Equipment increased 7,000 for the maintenance of the Vacuum/Rodding Truck. Easement Settlements decreased 5,000 since there are less easements to be addressed. Lowell Sewer decreased based upon projected flow that will go to the plant.

**Capital Outlay:** No change

## Sewer Enterprise Fund Budget



- Future Capital Improvements

Fiscal Year 2017 – Fiscal Year 2021: **4,250,500**

- **1,750,000 - Collections System Upgrades**
- **1,650,000 - Inflow and Infiltration I/I control**
- **690,500 - Fleet and Equipment Replacement Program**
- **160,000 - Sewer Pump Station Improvements**

#### Capital Improvements Fiscal Year 2017:

- **468,000 – Fleet/Equipment Replacement (Retained Earnings)**
- **60,000 - Sewer Pump Station Improvements(Retained Earnings)**
- **150,000 - Inflow and Infiltration I/I control (Retained Earnings)**

*(100,000 of the 150,000 - Inflow and Infiltration I/I control will be transferred from Retained Earnings at May 2016 Special Meeting for repairs to a sewerline near Strongwater Brook )*

*All Capital is Projected to be funded by Sewer Retained Earnings. Sewer Retained Earnings Balance 6,170,282.*



## Sewer Enterprise Fund Budget

### Debt Service as percent of Sewer Budget:

• FY2015	3,016,318.00	52%
• FY2016	2,948,233.49	52%
• FY2017 (Proj.)	3,035,658.16	52%
• FY2018 (Proj.)	3,140,817.23	52%
• FY2019 (Proj.)	3,259,937.18	52%
• FY2020 (Proj.)	3,385,801.78	52%
• FY2021 (Proj.)	3,392,274.78	51%
• FY2022 (Proj.)	3,351,179.18	50%
• FY2023 (Proj.)	3,372,045.63	49%
• FY2024 (Proj.)	3,365,844.38	48%



## Sewer Enterprise Fund Budget

Projected Revenues	FY2016	FY2017
Total User Fees	5,739,704	5,920,651
90% Collection	5,165,734	5,328,586
New Connections	59,932	62,793
Sewer Liens/Interest/Fees	500,000	450,000
Connection Fees	-	50,000
All Other Fees	7,000	25,000
Prior Year Surplus	-	-
Transfer from the GF	<u>253,724</u>	<u>248,775</u>
Total Projected Revenue	5,986,390	6,165,154

## Sewer Enterprise Fund Budget



### Sewer Budget/Revenue:

	Budget	Revenue
FY09	6,552,728	7,548,167
FY10	8,036,304	7,182,548
FY11	8,123,336	8,808,391
FY12	5,801,543	8,197,199
FY13	6,086,796	6,760,895
FY14	6,103,578	7,294,650
FY15	5,541,476	6,921,874
FY16 (Projected)	5,937,296	5,986,390
FY17 (Projected)	6,152,210	6,165,154

*In FY11 1,437,375 was used from Sewer Retained Earnings to balance the budget*

## Sewer Enterprise Fund Budget



- Proposed Sewer Rate

### In-Town :

Current Tier	Current Rate (\$)	Proposed Rate (\$)
0-35 gals	7.49 per 1000	7.75 per 1000
35-70	9.65 per 1000	9.99 per 1000
70-140	13.20 per 1000	14.12 per 1000
140+	15.44 per 1000	16.52 per 1000

- Proposed Sewer Rate

### Out of Town and Exempt Property:

Current Tier	Current Rate (\$)	Proposed Rate (\$)
0-35gals	20.16 per 1000	16.10 per 1000
35-70	25.02 per 1000	20.75 per 1000
70-140	32.10 per 1000	28.38 per 1000
140+	35.30 per 1000	33.20 per 1000



## Sewer Enterprise Fund Budget

Sewer Increase FY17 Average Usage Four Tiers 35,000 Increments				
Usage	Current Rate	Proposed Rate	\$ Increase	% Increase
25,000	187.25	187.25	-	0%
35,000	264.31	264.31	-	0%
45,000	360.81	360.81	-	0%
50,000	409.06	409.06	-	0%
55,000	457.31	457.31	-	0%
60,000	505.56	505.56	-	0%
70,000	602.06	602.06	-	0%
75,000	668.06	668.06	-	0%
80,000	734.06	734.06	-	0%
90,000	866.06	866.06	-	0%
100,000	998.06	998.06	-	0%
140,000	1,526.06	1,526.06	-	0%
150,000	1,680.46	1,680.46	-	0%
200,000	2,452.46	2,452.46	-	0%
300,000	3,996.46	3,996.46	-	0%
400,000	5,540.46	5,540.46	-	0%
500,000	7,084.46	7,084.46	-	0%
700,000	10,172.46	10,172.46	-	0%
1,000,000	14,804.46	14,804.46	-	0%
1,500,000	22,524.46	22,524.46	-	0%
2,000,000	30,244.46	30,244.46	-	0%
3,000,000	45,684.46	45,684.46	-	0%
4,000,000	61,124.46	61,124.46	-	0%
5,000,000	76,564.46	76,564.46	-	0%
6,000,000	92,004.46	92,004.46	-	0%
7,100,000	108,988.46	108,988.46	-	0%
7,500,000	115,164.46	115,164.46	-	0%

*Approximately 55,000 gallons is the Town average use and approximately 90,000 gallons per year is the State average use.*



## Sewer Enterprise Fund Budget

- Comparison Other Communities
  - Based on 90,000 Gallons per year
  - State Average 756 (2012)
  - State Range 221-1,874 (2014)
  - State Median 729 (2012)
  - MWRA Average 570 (2015)
  - Tewksbury (current) 866 (2016)
  - Tewksbury (proposed) 906 (2017)



## Comments Sewer Rates

- Impact of the \$640,000
- Projection from Previous Fiscal Year
- Improving Rate Projections
- Retained Earnings

## Sewer Enterprise Fund Possible Option



## Sewer Enterprise Fund FY17



- Enterprise Fund Sewer Rate Option

Chapter 110, S.S. 111, 113, 114 and 116 of the Acts of 1993

(Adding G.L. Ch. 59 S. 5 Cl. 52 and S. 21C(n))

*This legislation authorizes a new debt exclusion under Proposition 2½, General Laws Chapter 59 §21C(n), which will let a city or town transfer the recovery of water and sewer debt service costs from user charges to the property tax levy. The municipality will be able to raise the additional taxes outside its levy limit under Proposition 2½ and it will have to reduce its water and sewer charges by the amount of the debt service being transferred to the tax levy. Adoption of the exclusion does not require voter approval of a referendum.*

## Sewer Enterprise Fund FY17

### Sewer Debt Shift \$198,956



- Sewer Budget/Revenue:

	Budget	Revenue
FY17(Projected)	6,152,210	6,165,153
FY17(Proj.with shift)	5,953,255	6,003,254

### **Current Water Rates Would Not Increase if the entire \$198,956 is shifted**

	Est. FY17 w/o Shift	Est. FY17 with Shift
Current Tax Rate		
Res. \$16.35 per 1000	\$16.89 per 1000	\$16.93 per 1000
CIP \$27.46 per 1000	\$28.36 per 1000	\$28.37 per 1000

*Estimated tax rate is very preliminary and based upon current CIP shift, an increase in the tax levy of 2.5 % plus 800,000 in new growth and it includes FY17 projected excluded debt.*

# Sewer Enterprise Fund FY17 Summary of Options



## Estimated Sewer Bill and Tax Bill Increase (FY17)

	Usage Current Bill (\$)			Home Value and Est. Tax Bill FY17(\$)			
	55k	90k	150k	250k	350k	400k	500k
	457	866	1,680	4,223	5,912	6,756	8,445
	<u>Add</u>			<u>Add</u>			
No Shift	15.98	39.48	96.28	0.00	0.00	0.00	0.00
Shift	0.00	0.00	0.00	10.00	14.00	16.00	20.00

*Estimated tax rate is very preliminary and based upon current CIP shift, an increase in the tax levy of 2.5 % plus 800,000 in new growth. The above assumes a shift of \$198,956 of debt service to the tax levy and an increase in the current Residential tax rate from 16.35 to 16.93 an without the shift rate is projected to be 16.89.*

*The Capital Improvement Plan was not presented as there were no changes since the previous meeting.*

Selectmen were working through weekend with the Town Manager to understand and this process. They commented on hearing residents who feel water rate is high. The plan proposed is a way to accomplish keeping rates stable. All residents can benefit from the water shift; but not all can benefit from sewer shift.

Approximately 200 secondary meters for residents have been installed and most are very conscious about staying under 70,000-gallon maximum. If a household goes over the 70,000 gallons, the rate will increase on both the water and the sewer rate. This is an incentive to conserve.

Mr. Johnson gave his thoughts on pursuing a rate commission within town. Currently, the Selectmen are the rate setters and the Town Manager invests an incredible amount of work on this process every year with the Selectmen. It is his personal view not to have rates decided by a nameless, faceless person and then Selectmen obligated to support it. His vision is to create a commission that would own the total accountability. If the Selectman take action tonight, Mr. Johnson requested the Town Manager create a policy which speaks to the obligation of this decision and gives guidance to future boards on the issue of shifting debt and creating rates.

**MOTION:** Mr. Wentworth made the motion in accordance with MGL Chapter 110, S.S. 111, 113, 114 and 116 of the Acts of 1993 (adding GL. Ch59 S.5 Cl. 52 and S21C(n) to shift \$344,109.00 in water debt service to the Tewksbury Tax Levy for FY17; seconded by Mr. Gay and the motion carried 5-0 for a unanimous vote.

**MOTION:** Mr. Wentworth made the motion in accordance with MGL Chapter 110, S.S. 111, 113, 114 and 116 of the Acts of 1993 (adding GL. Ch59 S.5 Cl. 52 and

**S21C(n) to shift \$198,956.00 in sewer debt service to the Tewksbury Tax Levy for FY17; seconded by Mr. Kratman and the motion carried 5-0 for a unanimous vote.**

**MOTION: Mr. Gay made the motion to approve the Water and Sewer Rates for FY17 as presented and recommended by the Town Manager; seconded by Mr. Wentworth and the motion carried 5-0 for a unanimous vote.**

**MOTION: Mr. Wentworth made the motion to approve Capital Improvement Plan for FY17 as presented as recommended by the Town Manager on March 8, 2016; seconded by Mr. Gay and the motion carried 5-0 for a unanimous vote.**

### **Comcast Cable License Contract Renewal Agreement**

In a memo dated March 29, 2016, from Mr. Montuori to the Board of Selectmen, a list of material provisions to the Comcast license renewal was stated as follows:

- (1) 10-year term, which started September 20, 2015 and will expire on September 19, 2025;
- (2) The new Renewal License contains "level-playing-field" as in the previous license;
- (3) Comcast to continue operating its current Institutional Network ("I-Net") for 9 months from the Execution Date of the Renewal License which is March 29, 2016;
- (4) After the end of the 9-month period, Comcast will pay the Town \$100,000.00 to "decommission" the I-Net, which amount will NOT be passed-through to subscribers;
- (5) Comcast will pay the Town a 3.5% of Gross Annual Revenues ("GAR") License Fee, payable quarterly, for cable-related funding;
- (6) Comcast will pay the Town an additional .25% of GAR, also quarterly, for cable-related capital;
- (7) Comcast will continue to provide three (3) PEG Access Channels; and
- (8) Comcast has agreed to the same language as the Verizon Final License regarding a Customer Service Office, as follows:  
The Licensee shall have a location convenient to the Town that shall be open during Normal Business Hours and accessible to Subscribers to make bill payments. For Subscriber equipment pick-up, the Licensee shall provide for one or more of the following methods: (i) setting a specific appointment time or four (4) hour time period during Normal Business Hours, during which the Licensee's representatives shall visit the Subscriber's premises to pick-up or exchange Subscriber equipment, (ii) using a mailer, or (iii) establishing a reasonably convenient location for the pick-up and exchange of Subscriber equipment. Will create an enterprise fund for cable; and will help fund public access programming. \$400K previously went to the general fund and has now been weaned off that practice and now part of revenue. Current system has been upgraded and new contract will allow for regular improvements going forward.

**MOTION: Mr. Gay made the motion to approve the Comcast renewal license contract as presented and recommended by the Town Manager; seconded by Mr. Gay and the motion carried 5-0 for a unanimous vote.**

**MOTION: Mr. Kratman made the motion to authorize the Chairman of the Selectmen to sign the Comcast agreement and decommission the INet within 3 months; seconded by Mr. Panilaitis and the motion carried 5-0 for a unanimous vote.**

#### **Award of South Fire Station Cell Tower**

South Station cell tower bids opened. All options were reviewed for the tower such as moving it, taking it, painting it or covering it. It was determined to keep tower where it exists because if moved there would not be a good location for the town's public safety equipment. Another tower would need to be constructed to keep communications processing well. Keeping the tower in its current location is the best option. Verizon had proposed to put a taller tower on a now vacant location where a former gun store was situated, but this was again too much of a cost. A total of two proposals were received from the RFP, one by Sprint for a 10-year lease totaling \$40,6302.02. The only other co-locator would be Verizon and they would require a ground lease of \$6,000 per year. The Town Manager's recommendation is to execute a 10-year lease with Sprint. The tower will be painted and plantings/landscaping will be installed in area if landscaping is viable in around the tower area.

The Selectmen also commented on leveraging some funding for investment in landscaping for this site. Mr. Montuori noted there is \$40,000 in CPA funds slated to use at the site.

**MOTION: Mr. Kratman made the motion to accept the proposal and execute a lease with Sprint for 10 years; seconded by Mr. Panilaitis and the motion carried 5-0 for a unanimous vote.**

#### **Pine Street Water Agreement with Marc P. Ginsburg & Sons, Inc.**

A standard water and sewer agreement for 298-312 Pine Street Extension was presented to the Selectmen and has been reviewed and approved by Town Counsel.

**MOTION: Mr. Wentworth made the motion to authorize the Chair of the Board of Selectmen and the Town Manager to execute the water and sewer agreement for 298-312 Pine Street Extension as presented and approved by Town Counsel; seconded by Mr. Gay and the motion carried 4-0-1 with Mr. Panilaitis not voting as he was absent from the room.**

#### **Joan's Farm Water Agreement with Arnold Martel**

A standard water and sewer agreement for Joan's Farm was presented to the Selectmen. It has not been reviewed by Town Counsel.

**MOTION: Mr. Gay made the motion to authorize the Chair of the Board of Selectmen and the Town Manager to execute the water and sewer agreement for Joan's Farm once reviewed and approved by Town Counsel; seconded by Mr. Panilaitis and the motion carried 5-0 for a unanimous vote.**

### **PEC Agreement**

Mr. Montuori has worked the PEC for the past 6 months with regard to Health Insurance options. The previous health insurance agreement will expire in June. Discussion has centered on changes to the current plan benefit. The current plan is one of the oldest plans. The new plans will move to a different prescription offering and will benefit employees who have specialty medications.

A savings of \$1.1M to \$1.2M savings; over 3 years is estimated for the town. This is a major agreement for Tewksbury. Mr. Montuori is very grateful for the cooperation and support of the union heads and gave thanks to all involved in making this agreement happen.

The savings on the town side will generate sick leave buy backs totaling \$150-\$160K in funding (currently taken out of the budget) to be put back into the budget. Funding of two DPW highway positions will be restored. Budgets throughout the town in need of adjustment such as Council on Aging utilities, Library hours and staffing, a Facilities Manager within the DPW who will be responsible for all town buildings—these will be some of the items noted to be changed with the savings in health insurance. At this time the town is not able to fund an Assistant to the Town Manager, but this position is on the radar to either promote from within or hire. On the school side, the School Committee is in discussion about all-day Kindergarten, and some of this savings could go to funding it.

Additionally, the \$166M unfunded retirement liability the town is currently facing could be reduced once reevaluation occurs.

A mitigation fund amounting to 25% of our savings, totaling \$253K was set aside for those who had deductibles and could not afford them. None of the town employees took advantage of this and as a result the fund is still available. It will now be used for a one-month health insurance premium holiday for employees.

Education and outreach from Blue Cross has already begun with employees.

**MOTION: Mr. Gay made the motion to approve the PEC agreement effective July 1, 2016 for 3 year period; seconded by Mr. Wentworth and the motion carried 5-0 for a unanimous vote.**

### **Other Business**

As information only, Mr. Montuori announced the town has adopted an energy aggregation program. The program is in full swing. An information session will be held on April 17, 2016 at 2 p.m. and at 7 p.m. at the Senior Center. Mailings have gone out. National Grid basic service rate residential is 8.042/KW and 7.5/KW for commercial. Under the aggregation plan the Town's rate will be 7.875/KW for residential and 7.875/KW for commercial. Average savings would be a little over 9cents per kilowatt.

### **Outstanding Minutes: March 8, 2016 (regular session) and March 17, 2016 (regular & executive session)**

The minutes were not ready for distribution and will be presented for the next meeting.

## **Board Member Reports**

### **James Wentworth**

This was Mr. Wentworth's last meeting as Selectmen. He gave his last words and was presented a citation from the Board of Selectmen for his service.

### **David Gay**

- Tickets will be printed this week for the Back to the 80's Night to be held on April 22<sup>nd</sup> at the Elks

### **Bruce Panilaitis**

- EDC will meet over the next few weeks
- Town Center Master Plan committee will meet tomorrow night to approve a final draft plan; will present next week to the Selectmen
- Attended Kinder Morgan pipeline meeting last week, and wanted to make aware that currently Kinder Morgan is requesting to access for surveying even without not permission granted—this could mean cutting trees and digging holes on properties without authorization; local DPWs are holding hearings in Lunenburg, Lynnfield and in Dracut on this matter
- FERC approved a crossing of the pipeline through Otis State Forest in Connecticut; this requires a legislative approval according Article 97; a lawsuit is pending. The decision will be very impactful; if the work moves forward it would be precedent setting for the future.

### **Mark Kratman**

No report this evening.

### **Todd Johnson**

No report this evening.

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The next regular scheduled Selectmen's meeting will be held on April 5, 2016 at 7:00 p.m.

### ***Adjournment***

**MOTION:** Mr. Wentworth made the motion to adjourn; Mr. Gay seconded, and the motion was unanimous at 9:31 p.m.

*Approved by the Board of Selectmen on April 5, 2016*